

July 2000

Louisiana Energy Topic

Department of Natural Resources

Technology Assessment Division

A Supplement to LOUISIANA ENERGY FACTS on Subjects of Special Interest

SELECTED LOUISIANA ENERGY STATISTICS

Among the 50 states, Louisiana's rankings (in 1999 unless otherwise indicated) were:

PRIMARY ENERGY PRODUCTION

(Including Louisiana OCS)

1ST in crude oil
2ND in natural gas
2ND in total energy

REFINING AND PETROCHEMICALS

2ND in refining capacity
2ND in primary petrochemical production

PRIMARY ENERGY PRODUCTION

(Excluding Louisiana OCS)

4TH in natural gas
4TH in crude oil
7TH in total energy

ENERGY CONSUMPTION (1998)

2ND in industrial energy
2ND in per capita energy
3RD in natural gas
4TH in petroleum
5TH in total energy
23RD in residential energy

PRODUCTION

State controlled (i.e., excluding OCS) natural gas production peaked at 5.6 TCF per year in 1970, declined to 1.5 TCF in 1995, and rebounded 4.5% to 1.6 TCF in 1996. The 1998 gas production was approximately 1.5 TCF and the 1999 production was around 1.4 TCF.

State controlled gas production is on a long term decline rate of 3.8% per year, though the current short term (2000-2004) forecast decline is around 4.7% per year.

State controlled crude oil and condensate production peaked at 566 million barrels per year in 1970, declined to 127 million barrels in 1994, recovered to 134 million barrels in 1996 and declined to 115 million barrels in 1999.

State controlled crude oil production is on a long term decline rate of 4.4% per year, though the current short term (2000-2004) forecast decline is around 5.8% per year. If oil stays around \$25.00 per barrel, the decline will remain as predicted. If the price holds consistently above \$25.00 per barrel, the decline rate may be lower.

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Louisiana OCS (federal) territory is the most extensively developed and matured OCS territory in the US.

Louisiana OCS territory has produced 88.7% of the 12.0 billion barrels of crude oil and condensate and 82.8% of the 131 TCF of natural gas extracted from all federal OCS territories from the beginning of time through the end of 1998.

Louisiana OCS gas production peaked at 4.16 TCF per year in 1979, declined to 3.0 TCF in 1989, and rose to 3.97 TCF in 1998.

Louisiana OCS crude oil and condensate production first peaked at 388 million barrels per year in 1972 and declined to 246 million barrels in 1989. In this decade the production has steadily risen from 264 million barrels in 1990 to 418 million barrels in 1998 due to the development of deep water drilling.

REVENUE

At the peak in Fiscal Year (FY) 1981/82, oil and gas revenues from severance, royalties and bonuses amounted to \$1.6 billion, or 41% of total state taxes, licenses and fees. For FY1999/00, these revenues are estimated to be in the vicinity of \$650 million or about 11% of total estimated taxes, licenses and fees.

At constant production, the State Treasury gains or loses about \$18 million of direct revenue from oil severance taxes and royalty payments for every \$1 per barrel change in oil prices. This figure rises to \$23 to \$28 million per dollar change when indirect revenue impacts are included (e.g., income tax, sales tax, etc.).

DRILLING ACTIVITY

Drilling permits issued on state controlled territory peaked at 7,631 permits in 1984 and declined to a low of 1,065 permits in 1995. In 1997 it went up to 1,562 permits and in 1999 fell down to 1,017 drilling permits.

The average active rotary rig count for Louisiana, excluding OCS, reached a high of 386 rigs in 1981 and reached a low of 64 rigs in 1993. There were 120 active rigs in 1997, 92 active rigs in 1998, and 65 active rigs in 1999.

In 1999, the average active rotary rig count for Louisiana OCS was 76 active rigs, the previous active rotary rigs high was 92 rigs recorded in 1998. The 1999 rigs average was 16.6% lower than the 1998 average of 92 active rotary rigs.

Note: Louisiana OCS or Outer Continental Shelf is federal offshore territory adjacent to Louisiana's coast beyond the three mile limit of the state's offshore boundary.

TCF= trillion cubic feet